

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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| SCOTT REIMER, Individually and On Behalf | : | Civil Action No. 1:08-cv-00411-NRB |
| of All Others Similarly Situated, | : | |
| | : | <u>CLASS ACTION</u> |
| Plaintiff, | : | |
| | : | |
| vs. | : | |
| | : | |
| AMBAC FINANCIAL GROUP, INC., et al., | : | |
| | : | |
| Defendants. | : | |
| <hr/> | | |
| MARKO BABIC, Individually and On Behalf | : | Civil Action No. 1:08-cv-01273-NRB |
| of All Others Similarly Situated, | : | |
| | : | <u>CLASS ACTION</u> |
| Plaintiff, | : | |
| | : | |
| vs. | : | |
| | : | |
| AMBAC FINANCIAL GROUP, INC., et al., | : | |
| | : | |
| Defendants. | : | |
| <hr/> | | |
| KEVIN PARKER, Individually and On Behalf | : | Civil Action No. 1:08-cv-01825-NRB |
| of All Others Similarly Situated, | : | |
| | : | <u>CLASS ACTION</u> |
| Plaintiff, | : | |
| | : | |
| vs. | : | |
| | : | |
| AMBAC FINANCIAL GROUP, INC., et al., | : | |
| | : | |
| Defendants. | : | |
| <hr/> | | X |
| [Caption continued on following page.] | | |

REPLY MEMORANDUM IN FURTHER SUPPORT OF THE MOTION OF INTER-LOCAL
PENSION FUND GCC/IBT FOR CONSOLIDATION, APPOINTMENT AS LEAD
PLAINTIFF AND FOR APPROVAL OF SELECTION OF LEAD COUNSEL AND IN
RESPONSE TO THE OPPOSITION OF THE U.S. PUBLIC PENSION FUNDS

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| MINNEAPOLIS FIREFIGHTERS' RELIEF | : | Civil Action No. 1:08-cv-01918-NRB |
| ASSOCIATION, On Behalf of Itself and All | : | |
| Others Similarly Situated, | : | <u>CLASS ACTION</u> |
| | : | |
| Plaintiff, | : | |
| | : | |
| vs. | : | |
| | : | |
| AMBAC FINANCIAL GROUP, INC., et al., | : | |
| | : | |
| Defendants. | : | |
| | : | |
| | X | |

Institutional Investor Inter-Local Pension Fund GCC/IBT (“Inter-Local Fund”) respectfully submits this reply memorandum of law in further support of its motion for consolidation of the above-captioned related actions, appointment as Lead Plaintiff, approval of its selection of the law firm of Coughlin Stoia Geller Rudman & Robbins LLP (“Coughlin Stoia”) to serve as Lead Counsel and in response to the opposition of Public School Teachers’ Pension & Retirement Fund of Chicago, Arkansas Teacher Retirement System and Public Employees’ Retirement System of Mississippi (collectively, the “U.S. Public Pension Funds”).

As set forth in its prior submissions, Inter-Local Fund is the only single institutional investor who filed a motion in this action and is the only movant who can satisfy the requirements of Federal Rule of Civil Procedure 23, namely that its claims are typical of the rest of the Class and it is adequate to represent the interests of the Class.

As previously stated, the motion of the self-named “U.S. Public Pension Funds” should be denied because it is a lawyer-created group. Moreover, the U.S. Public Pension Funds are subject to substantial unique defenses because Ambac insures numerous municipal bonds that have been issued by municipalities, cities and school systems that are connected to different members of the U.S. Public Pension Funds. This financial relationship creates a disabling financial conflict that may threaten the prosecution of this case should the U.S. Public Pension Funds be appointed Lead Plaintiff.

By contrast, no issues have been raised about the adequacy of Inter-Local Fund to represent the interests of the Class. Accordingly, the motion of Inter-Local Fund should be granted and the competing motion of the U.S. Public Pension Funds should be denied.

DATED: April 14, 2008

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
SAMUEL H. RUDMAN
DAVID A. ROSENFELD
MARIO ALBA, JR.

/s/ Samuel H. Rudman

SAMUEL H. RUDMAN

58 South Service Road, Suite 200
Melville, NY 11747
Telephone: 631/367-7100
631/367-1173 (fax)

[Proposed] Lead Counsel for Plaintiffs

CERTIFICATE OF SERVICE

I, Samuel H. Rudman, hereby certify that on April 14, 2008, I caused a true and correct copy of the attached:

Reply Memorandum in Further Support of the Motion of Inter-Local Pension Fund GCC/IBT for Consolidation, Appointment as Lead Plaintiff and for Approval of Selection of Lead Counsel and in Response to the Opposition of the U.S. Public Pension Funds

to be served: (i) electronically on all counsel registered for electronic service for this case; and (ii) by first-class mail to any additional counsel.

/s/ Samuel H. Rudman.
Samuel H. Rudman

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Service List - 3/18/2008 (08-0008)

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Counsel For Defendant(s)

Peter C. Hein
Warren R. Stern
Joshua A. Naftalis
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
212/403-1000
212/403-2000(Fax)

Counsel For Plaintiff(s)

Jill S. Abrams
Abbey Spanier Rodd & Abrams, LLP
212 East 39th Street
New York, NY 10016
212/889-3700
212/684-5191(Fax)

Samuel H. Rudman
David A. Rosenfeld
Mario Alba, Jr.
Coughlin Stoia Geller Rudman & Robbins LLP
58 South Service Road, Suite 200
Melville, NY 11747
631/367-7100
631/367-1173(Fax)

Frederic S. Fox
Joel B. Strauss
Donald R. Hall
Kaplan, Fox & Kilsheimer LLP
850 Third Avenue, 14th Floor
New York, NY 10022
212/687-1980
212/687-7714(Fax)

Gerald H. Silk
Noam N. Mandel
Bernstein Litowitz Berger & Grossmann LLP
1285 Ave of the Americas, 38th Fl.
New York, NY 10019
212/554-1400
212/554-1444(Fax)

Donald J. Enright
Elizabeth K. Tripodi
Finkelstein Thompson LLP
1050 30th Street, N.W.
Washington, DC 20007
202/337-8000
202/337-8090(Fax)

Christopher J. Keller
Andrei V. Rado
Alan I. Ellman
Labaton Sucharow LLP
140 Broadway, 34th Floor
New York, NY 10005
212/907-0700
212/818-0477(Fax)

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Page 2 of 2

Richard A. Lockridge
Karen Hanson Riebel
Lockridge Grindal Nauen P.L.L.P.
100 Washington Avenue South, Suite 2200
Minneapolis, MN 55401
612/339-6900
612/339-0981 (Fax)

Robert M. Roseman
Andrew D. Abramowitz
David Felderman
Spector, Roseman & Kodroff, P.C.
1818 Market Street, Suite 2500
Philadelphia, PA 19103
215/496-0300
215/496-6611 (Fax)